

## **1.0 INTRODUCTION**

### **1.1 PROJECT OBJECTIVES, PURPOSE, AND NEED**

The Chevron El Segundo Marine Terminal Lease Renewal Project (Project) involves Chevron Products Company (Chevron) entering into a new 30-year lease (current lease PRC 5574.11) of tide and submerged state lands offshore of the city of El Segundo in Los Angeles County, from the California State Lands Commission (CSLC) for continued operations at the Chevron El Segundo Marine Terminal (Marine Terminal). The Marine Terminal, which is part of the adjacent Chevron El Segundo Refinery, has been operating since 1911, when the Refinery that it serves opened. The new lease would allow Chevron to continue operating the Marine Terminal for a 30-year period beginning in 2010 and ending in 2040. The proposed Project would involve continuing current operations with a one percent increase in throughput and implementing future maintenance activities as needed at the Marine Terminal through the year 2040.

The California Environmental Quality Act (CEQA) Guidelines (section 15126.6[a]) require that a range of reasonable alternatives to the proposed Project is described, and analyzed, and that these alternatives could feasibly attain most of the basic objectives of the Project. Therefore, to explain the need for the proposed Project and to guide in development and evaluation of alternatives, Chevron was asked to define its project objectives. Chevron identified the following objectives for the Chevron El Segundo Marine Terminal Lease Renewal Project:

1. To continue current transfer operations at the crude oil and petroleum product marine terminal in El Segundo, California, in the future; and
2. To provide the means for importing crude oil and petroleum products and exporting petroleum products at the adjacent Refinery so it may continue its operations for the next 30 years.

### **1.2 PURPOSE AND SCOPE OF ENVIRONMENTAL IMPACT REPORT**

The CSLC has prepared this Draft Environmental Impact Report (Draft EIR or EIR) in accordance with the CEQA Guidelines to evaluate the potential for environmental impacts associated with continued operation of the Marine Terminal through the year 2040, including crude oil import, refined products export, maintenance activities, and upset (accident) conditions near the Marine Terminal and along the outer coast.

Section 15124(d) of the CEQA Guidelines requires that an EIR contain a statement within the project description briefly describing the intended uses of the EIR. The CEQA Guidelines indicate that the EIR should identify the ways in which the Lead Agency and any responsible agencies would use this document in their approval or permitting processes. The following discussion summarizes the roles of the agencies and the intended uses of the EIR.

The CSLC serves as the Lead Agency responsible for preparing the EIR. Chevron's State lease (PRC 5574.1) includes existing offshore pipelines and other improvements associated with the Marine Terminal. The CSLC will use this EIR when exercising its jurisdictional responsibilities on whether or not to grant a new 30-year lease of California sovereign lands to Chevron.

### 1.2.1 Organization of Draft EIR

- Section 2.0, **Project Description**, presents an overview of the Project's operations and describes the proposed Project and its location, layout, and facilities.
- Section 3.0, **Alternatives and Cumulative Projects**, describes the alternatives to the proposed Project carried forward for analysis and the alternatives that were considered but eliminated from detailed evaluation. It also assesses the proposed Project versus the alternatives and identifies the cumulative projects that will be analyzed.
- Section 4.0, **Environmental Analysis**, describes existing environmental conditions, project-specific impacts, and mitigation measures, and it analyzes the impacts of both the alternatives and the cumulative projects.
- Section 5.0, **Socioeconomics and Environmental Justice**, addresses socioeconomic and environmental justice issues.
- Section 6.0, **Other Required CEQA Sections**, addresses other elements required by CEQA.
- Section 7.0, **Mitigation Monitoring Program**, presents the Mitigation Monitoring and Reporting Program.
- Section 8.0, **Report Preparation Sources**, presents the qualifications of those who prepared the report.
- Section 9.0, **References**, lists reference materials used to prepare the report.

- Section 10.0, **List of Acronyms**, is a list of acronyms used in the report;
- **Appendix A** to this Draft EIR contains the mailing list.
- **Appendix B** contains the Notice of Preparation (NOP) and copies of comments received regarding the NOP, and it identifies the location in the Draft EIR where the comments are addressed.
- **Appendix C** contains the oil spill modeling data and analysis.
- **Appendix D** contains the biological resources report.
- **Appendix E** contains the air quality calculations.
- **Appendix F** contains the noise calculations.
- **Appendix G** contains information on commercial and recreational fishing and kelp harvesting.
- **Appendix H** contains a discussion on the use of dispersants.

### 1.2.2 Study Area Boundary

The study area boundary includes offshore and onshore elements of the Marine Terminal. The offshore area is an approximately 221-acre (89.4-hectare) footprint of state lands leased to Chevron by the CSLC. The onshore facility is a nine-acre (3.6-hectare) parcel of Chevron-owned land approximately 200 feet (70 meters) in width between Vista Del Mar and the shore. Refer to Figures 2-4 and 2-8 in Section 2.0, Project Description, for the location of offshore and onshore facilities, respectively. The Project action to be taken by the CSLC does not include the onshore facilities.

### 1.2.3 Definition of Baseline and Future Conditions

Chevron proposes to continue operating the Marine Terminal through the year 2040. Potential impacts of the existing Chevron operation (described in more detail in Section 2.0, Project Description) are analyzed in the context of the environmental conditions on March 22, 2006, when the NOP was released for the proposed Project. Baseline conditions evaluated in this EIR assume continued operations of the Marine Terminal facilities as they currently exist and the absence of accidental oil spills. Accidental oil spills are considered in Section 4.1, System Safety and Reliability. This lease application does not propose any changes to existing operations or equipment. However, routine repair and maintenance activities would be necessary during the lease period. Such activities may include rearrangements of the seafloor pipelines and replacement of pipelines, pipeline end manifolds, and associated hoses. Minor

1 improvements to the moorings, minor maintenance improvements to offshore facilities,  
2 equipment testing, and spill and safety drills would occur throughout the lease term as  
3 needed. The existing infrastructure at the Marine Terminal is adequate to  
4 accommodate normal fluctuations in annual throughput. The proposed Project would  
5 not require any new construction.

6 Future conditions evaluated in this EIR are based on continued operations of the Marine  
7 Terminal. Using data from Chevron's application, it is estimated that throughput may  
8 increase from present levels by one percent annually over the lease term, although  
9 actual values may vary from year to year. In the history of the Marine Terminal,  
10 throughput levels have varied depending on ship volume capacity and market demand  
11 for petroleum products.

12 The Marine Terminal imports crude oil and exports petroleum products via marine  
13 vessels to and from Chevron's El Segundo Refinery. Normal crude oil throughputs for  
14 the El Segundo Refinery range up to 270,000 barrels per day, 80 percent of this  
15 throughput is received through the Marine Terminal. The Marine Terminal exports  
16 diesel fuel, gas oil, number 6 fuel oil, commercial jet fuel, fluidized catalytic cracker light  
17 cycle oil, crude oil residuum, motor gasoline, and motor gasoline components.

18 Existing facilities at the Marine Terminal include offshore facilities, associated pipelines,  
19 onshore support facilities, and buildings (however, only offshore facilities are being  
20 considered as part of the CSLC proposed action to grant the lease extension). The  
21 offshore facilities include two active berths (Berths 3 and 4) and several active and  
22 abandoned pipelines. Berth 1, which was closest to shore, was removed in 1985 and  
23 its pipelines were abandoned in place. Berth 2 was removed in 1992 and its pipelines  
24 were extended to Berth 3, which made Berth 3 a multiple-use berth. The current lease  
25 covers two conventional multiple buoy berths, Berths 3 and 4, together with a number of  
26 active and abandoned pipelines. Berth 3, approximately 1.4 miles (2.3 kilometers [km])  
27 offshore, is a seven-buoy mooring consisting of two separate piping systems. One  
28 system (3C) is for light oils including primarily gasoline, diesel, and jet fuels, and the  
29 other system (3B) is for crude oils, refined products, and black fuel oils. Sixteen-inch  
30 (40.6-centimeter [cm]) and 12-inch (30.5-cm) pipelines extend to the onshore facilities  
31 from Berth 3C, and 26-inch (66.0-cm) and 12-inch (30.5-cm) pipelines extend to the  
32 onshore facilities from Berth 3B. Berth 4, approximately 1.5 miles (2.4 km) offshore and  
33 950 feet (289.6 meters) south of the submarine lines from Berth 3C, is a seven-buoy  
34 mooring that transfers fuel oils, crude, and crude products. Berth 4 is connected to  
35 onshore facilities by submarine transfer lines 36 inches (91.4 cm) and 14 inches (35.6

1 cm) in diameter. In addition to the berths, the Marine Terminal offshore facilities include  
2 a protective rock groin at the southern boundary of the Marine Terminal shoreline.

3 Small single-story, temporary and permanent onshore structures associated with the  
4 Marine Terminal include a Refinery forebay, a control house, three berth pump stations,  
5 two substations, and a helicopter landing pad. As mentioned above, only offshore  
6 facilities are being considered as part of the CSLC proposed action to grant the lease  
7 extension.

## 8 **1.3 PUBLIC REVIEW AND COMMENT**

### 9 **1.3.1 Scoping**

10 The CSLC, as Lead Agency and in accordance with the CEQA Guidelines, determined  
11 that the proposed Project may cause potentially significant adverse environmental  
12 impacts. Therefore the CSLC required preparation of this Draft EIR pursuant to and in  
13 accordance with CEQA (PRC section 21000 et seq.), the CEQA Guidelines (California  
14 Administrative Code, section 15000 et seq.), and the CSLC's guidelines for  
15 implementing CEQA.

16 On March 22, 2006, pursuant to the CEQA Guidelines (sections 21080.4 and 15082[a]),  
17 the CSLC provided a NOP for the proposed Project to responsible and trustee agencies  
18 and other interested parties. The NOP solicited both written and verbal comments on  
19 the EIR's scope during a 30-day comment period and provided information on a  
20 forthcoming public scoping meeting. The CSLC held a public and agency scoping  
21 meeting in El Segundo, California, on April 5, 2006, to solicit verbal comments on the  
22 scope of the EIR. The following organizations submitted written comments in response  
23 to the NOP:

- 24 • The California Coastal Commission; and
- 25 • The South Coast Air Quality Management District.

### 26 **1.3.2 Public Comment on the Draft EIR**

27 This Draft EIR will be circulated to local and state agencies and interested individuals  
28 who wish to review and comment on the report. The CSLC will then accept written  
29 comments during the 45-day public review period. Verbal and written comments will  
30 also be accepted at a noticed public meeting (either noticed in this document or under  
31 separate cover). All comments received will be addressed in a Response to Comments

1 addendum document, which, together with this Draft EIR, will constitute the Final EIR  
2 for the proposed Project.

3 This Draft EIR identifies the environmental impacts of the proposed Project on the  
4 existing environment, indicates how those impacts can be mitigated or avoided, and  
5 identifies and evaluates alternatives to the proposed Project. This document is intended  
6 to provide the CSLC with information necessary to exercise its jurisdictional  
7 responsibilities with respect to the proposed Project, which would then be considered at  
8 a separate noticed public meeting of the CSLC.

9 The CEQA Guidelines require that a Lead Agency shall neither approve nor implement  
10 a project as proposed unless the significant environmental impacts have been reduced  
11 to an acceptable level. An acceptable level is defined as eliminating, avoiding, or  
12 substantially lessening significant environmental effects to below a level of significance.  
13 If the Lead Agency approves the project even though significant impacts identified in the  
14 Final EIR cannot be fully mitigated, the Lead Agency must state in writing the reasons  
15 for its action. In these circumstances, Findings and a Statement of Overriding  
16 Considerations must be included in the record of project approval and mentioned in the  
17 Notice of Determination.

#### 18 **1.4 PERMITS, APPROVALS, AND REGULATORY REQUIREMENTS**

19 Other than the action by the CSLC, the proposed Project is a currently operating facility  
20 and, therefore, it may not require permits or approvals from any other reviewing  
21 authorities or regulatory agencies, such as the California Coastal Commission, Regional  
22 Water Quality Control Board, or the South Coast Air Quality Management District.